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U.S. Army Tank-automotive and Armaments Command

Performance Risk

Evaluation of

Past Performance

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PAST PERFORMANCE - WHAT IS IT?

- AMC Pamphlet 715-3 “Contracting for Best Value”:
  - See Appendix D - Guidelines for Evaluating Past Performance in Source Selection
- Performance Risk vs. Proposal Risk
  - Performance Risk: Risks Associated with an Offeror’s Likelihood of Success in Performing the Solicitation’s Requirements as Indicated by that Offeror’s Record of Current or Past Performance

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Performance Risk vs Responsibility Determination

- **Responsibility Determination: CAN the Offeror Successfully Perform the Contract IAW FAR 9.104**
  - **PCO Responsibility Determination is Go/No Go**
  - **Non-Responsible Offerors are Ineligible for Contract Award**
  - **Small Business Offerors can Petition SBA for "COC" Override in the Event of a Negative Responsibility Determination**
- **Performance Risk: Likelihood Offeror WILL Successfully Perform as Indicated by its Record of Current/Past Performance**
  - **Risk Assessment Based on Probability of Success**
  - **Not a Go/No Go Judgement**
  - **Not Subject to "COC" as Offerors are not "Ineligible" for Award**

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Past Performance vs Performance Risk Assessment

- Avoid Misinterpreting an Assessment of Past Performance With Our Objective of Completing a Performance Risk Evaluation

  - Past Performance is Frequently Viewed as the Offerors Record of Performance on Current and Past Contracts

  - A Performance Risk Assessment Evaluates an Offeror's Record of Current/Past Performance, in light of the Relevance/Recency of the Past Performance Record Against the Instant RFP Requirements, to Predict the Likelihood the Offeror will Successfully Perform RFP Requirements

- Bottom Line

  - Past Performance: Record of Performance

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Basic Evaluation Steps

- **Step 1 - Establish Each Offerors Proposed Approach to Contract Performance**
- **Step 2 - Search for all Current/Prior Contracts, Performed within the Last 3**

  Years, which are Relevant to the Offerors Proposed Performance Approach
- **Step 3 - Select, for Past Performance Investigation, those Contracts whose**

  Combination of Relevance and Recency will Best Predict the Likelihood of

  Contract Performance Success
- **Step 4 - Collect Independent Historical Performance Information on each**

  Contract Selected for Investigation
- **Step 5 - Conduct Meaningful Discussions/Clarifications with Offerors on**

  Contracts Where Negative Past Performance Information

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Past Performance - Evaluation Process

- **Step 1: Establish Each Offeror's Approach to Contract Performance and Keys to Personal Success**
  - **Production, R&D, Services?**
  - **Divisions Performing Effort?**
  - **Specific Performance Approach?**
  - **Importance/Magnitude of Subcontracts?**
  - **Subcontract Management?**
  - **Logistics?**
- **Step 2: Search for Relevant/Recent Contracts**
  - **Offeror Responses to Section L**
  - **Administrative Contracting Officer**
  - **Army and Other DoD Service's Past Performance Information Mangement Systems (PPIMS)**
  - **Internal Organization Information**

Past Performance - Evaluation Process

- **Step 3: Select, for Assessment, Those Contracts which are Most Relevant and Recent to the Offeror's Proposed Approach to Contract Performan**
  - **Contracts which are Most Relevant/Recent are the Best Predic of Future Performance**
  - **Remember: You are Evaluating Performance Risk not Past Performance**
- **Step 4: Collect Independent Historical/Performance Info on Cont Selected**
  - **Sources**
    - **Procuring Contracting Officer (Obtain Combined PCO/PM if Possible)**
    - **Program Manager**
    - **Administrative Contracting Officer**
    - **QA/COTR/DCAA**
  - **Type of Information Collected must be Consistent with Annou Evaluation Considerations in RFP Sections L/M & SSP**
    - **Technical/Quality**
    - **Delivery/Schedule**

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Past Performance Exchanges with Offerors After Proposal Receipt

- **Step 5: Clarifications and Award Without Discussions - FAR 15.306(a)(1-3)**
  - **Limited Exchanges**
  - **Clarifications May Include Past Performance (At Discretion of Government)**
    - **Relevance of Past Performance Information**
    - **Adverse Past Performance Information Offeror has not Previously had an Opportunity to Respond To**
  - **Communication Before Establishment of Competitive Range - FAR 15..306(b)(104)**
  - **Communication Shall be Held with Offerors Whose Past Performance Information is the Determining Factors Preventing Offeror from Being Placed in Competitive Range**
  - **Communication shall Address Adverse Past Performance Information Offeror has not Previously had Opportunity to Respond To**
  - **Recommendation: Use Offeror Provided Past Peformance Information for Competitive Range Evaluation Purposes**

Tips on How to Prepare an Evaluation Write-up

- **Step 7: Prepare the Written Evaluation**
- **Performance Risk/Past Performance Evaluation Conclusions Based on**
  - **Judgement of Evaluator**
- **GAO Looking for Reasonable/Rational Basis in Support of Evaluation Conclusions**
- **Evaluation Steps:**
  - **Step A - List/Describe the Relevance and Recency (High, Medium, Low) of Each Contract Selected for Investigation**
  - **Step B: For Each Contract Investigated, and Based on the Past Performance Information Collected, Describe and Adjectival Rate (Excellent, Good, Adequate, Marginal, Poor) the Past Performance Against the Evaluation Consideration (Technical, Delivery, Responsiveness, Cost (Except Final Price)**
  - **Step C: Prepare a Matrix Overlaying the Historical Performance Findings with the Level of Relevance/Reasonableness (High, Medium, Low) for Each Contract**

STANDARD PAST PERFORMANCE RATING MATRIX

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RISK RATING	ADJECTIVAL RATING	RISK LEVEL
VERY LOW	EXCELLENT	ESSENTIALLY NO DOUBT OFFEROR WILL PERFORM
LOW	GOOD	LITTLE DOUBT OFFEROR WILL PERFORM
MODERATE	ADEQUATE	SOME DOUBT OFFEROR WILL PERFORM
HIGH	MARGINAL	SUBSTANTIAL DOUBT OFFEROR WILL PERFORM
VERY HIGH	POOR	EXTREME DOUBT OFFEROR WILL PERFORM
UNKNOWN	NONE	LITTLE OR NO RELEVENT PAST PERFORMANCE UPON WHICH TO BASE A MEANINGFUL PERFORMANCE RISK PREDICTION - OFFEROR NOT EVALUATED FAVORABLY OR

HISTORICAL CONTRACT ASSESSMENTS - PHASE 1

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		RELEVANCE	TECH	COST	SCHEDULE	RESPONSIVE
Trucks & Trailers Are Us	5 Ton Hauler R&D	HIGH	GOOD	ADEQUATE	ADEQUATE	GOOD
	5 Ton Trailer	MOD	MARGINAL	N/A	GOOD	ADEQUATE
	5 Ton Tractor	MOD	SUPERIOR	GOOD	SUPERIOR	SUPERIOR
	Trailer STS	MOD	MARGINAL	MARGINAL	MARGINAL	SUPERIOR
	Truck STS	MOD	GOOD	GOOD	GOOD	SUPERIOR
	Tractor STS	MOD	GOOD	GOOD	SUPERIOR	GOOD
	Trailer Variant Prod	MOD	POOR	ADEQUATE	POOR	POOR
World of Trucks	RATING		ADEQUATE	ADEQUATE	ADEQUATE	GOOD
	Loading Truck	MOD	SUPERIOR	N/A	SUPERIOR	SUPERIOR
	Hauling Truck	MOD	GOOD	N/A	GOOD	GOOD
	Van	MOD	GOOD	N/A	MARGINAL	ADEQUATE
	Cargo Truck	MOD	GOOD	N/A	ADEQUATE	GOOD
	Flatbed Truck	MOD	ADEQUATE	N/A	ADEQUATE	GOOD
	5 Ton Truck	MOD	GOOD	N/A	GOOD	ADEQUATE
	Truck Variant	LOW	ADEQUATE	ADEQUATE	ADEQUATE	GOOD
	Body Parts	LOW	ADEQUATE	N/A	SUPERIOR	SUPERIOR
	Logistics Sub (4 CONTRACTS)	MOD	SUPERIOR	N/A	SUPERIOR	SUPERIOR
U-Haul It Company	RATING		GOOD	ADEQUATE	GOOD	GOOD
	5 Ton Truck & Trailer	HIGH	POOR	N/A	POOR	POOR
	Trailer Parts	LOW	GOOD	MARGINAL	GOOD GOOD	
	Trailer TDP	LOW	MARGINAL	N/A	ADEQUATE	MARGINAL
	Logistics Sub (2 CONTRACTS)	MOD	SUPERIOR	N/A	SUPERIOR	SUPERIOR
	Engineering Sub (3 CONTRACTS)	LOW	SUPERIOR	N/A	SUPERIOR	SUPERIOR
	RATING		MARGINAL	MARGINAL	MARGINAL	MARGINAL

SOURCE SELECTION INFORMATION - SEE FAR 3.104

HISTORICAL CONTRACT ASSESSMENTS - PHASE 2

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RESPONSIVE

		RELEVANCE		TECH	SCHEDULE
Trucks & Trailers Are Us	5 Ton Hauler	HIGH	MARGINAL	GOOD	ADEQUATE
	2 Ton Truck	MOD	ADEQUATE	ADEQUATE	GOOD
	5 Ton Trailer STS	MOD	GOOD	ADEQUATE	GOOD
	2 Ton Truck Variant	MOD	ADEQUATE	MARGINAL	MARGINAL
	2 Ton Truck Variant	MOD	ADEQUATE	MARGINAL	MARGINAL
	Truck STS	LOW	SUPERIOR	SUPERIOR	SUPERIOR
	Trailer Variant	LOW	MARGINAL	MARGINAL	ADEQUATE
	RATING		MARGINAL	ADEQUATE	ADEQUATE
World of Trucks	Hauling Truck	MOD	GOOD	GOOD	GOOD
	Van	MOD	GOOD	MARGINAL	ADEQUATE
	Flatbed Truck	MOD	ADEQUATE	ADEQUATE	GOOD
	Cargo Truck	MOD	GOOD	ADEQUATE	GOOD
	Loading Truck	MOD	SUPERIOR	SUPERIOR	SUPERIOR
	5 Ton Truck	MOD	GOOD	GOOD	ADEQUATE
	Logistics Sub (4 CONTRACTS)	MOD	SUPERIOR	SUPERIOR	SUPERIOR
	RATING		GOOD	GOOD	GOOD
U-Haul It Company	5 Ton Truck &Trailer	HIGH	POOR	POOR	POOR
	Trailer TDP	LOW	MARGINAL	ADEQUATE	MARGINAL
	Trailer Parts	LOW	GOOD	ADEQUATE	GOOD
	RATING		POOR	POOR	POOR

SOURCE SELECTION INFORMATION - SEE FAR 3.104

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OTHER PAST PERFORMANCE ISSUES

- **Unknown Risk**
- **Evaluating Past performance of Individuals**
- **Evaluation of Predecessor Companies**
- **Evaluation of Commercial Contracts**
- **Discussion of Negative Subcontracts Past Performance**
- **Prototyped to Production Buys - Evaluate Both Phases**

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Importance of Relevance/Recency

- **Past Performance Assesses Performance Risk Considering both:**
  - **Prior Contract Performance**
  - **Relevance/Recency of Prior Contract Performance**

	Prior Contract Performance			Relevance/Recency of Prior Contract Performance			Past Performance/ Performance Risk Rating
Example 1	**Contract 1**	**Contract 2**	**Contract 3**	**Contract 1**	**Contract 2**	**Contract 3**	
Offeror A	**Excellent**	**Excellent**	**Excellent**	**Highly Slightly**	**Highly Slightly**	**Slightly**	**Excellent/Very Low Risk**
Offeror B	**Excellent**	**Excellent**	**Excellent**	**Slightly**	**Slightly**	**Slightly**	**Adequate/Moderate Risk**
Example 2	**Contract 1**	**Contract 2**	**Contract 3**	**Contract 1**	**Contract 2**	**Contract 3**	
Offeror A	**Adequate**	**Adequate**	**Excellent**	**Slightly**	**Slightly**	**Highly Highly**	**Excellent/Very Low Risk**
Offeror B	**Excellent**	**Excellent**	**Good**	**Slightly**	**Slightly**		**GoodModerate Risk**